

THAT WAS THE WEEK THAT WAS

By Vermeer Partners

Week ending 21st August 2020



MACRO

- The level of UK government borrowing broke through the £2trillion mark
- Inflation in the UK rose to 1% in July, up from 0.6% in June. The jump in the CPI was bigger than expected as firms such as hairdressers and dentists adjusted their practices and another key factor was the absence of traditional summer sales.
- Manufacturing in the Eurozone stuttered as the PMI fell to a two-month low of 51.6 following a strong rebound in June and July

STATISTIC OF THE WEEK

The S&P 500 Index hit an all-time high this week making this last few months the fastest ever period for the US market to go from a previous all-time high (February 19th), then enter a bear market (through to March 23rd) before posting a new high again on 18th August. Meanwhile unemployment is at 10% with nearly a million Americans filing for initial unemployment claims.

COMPANY NEWS

- **Randall & Quilter's** MGA program management business continues to display strong momentum with recent sign-ups representing a further material increase in scale
- **Persimmon** enjoyed good results and reinstated a modest dividend
- The DIY trade continues as home improvement retailer, **Home Depot**, showed revenue for the second quarter coming in well above estimates. Comparable-store sales jumped 23.4% compared to the same period last year

FUNDS

We had an interesting conversation with a well-known UK small-cap manager who is looking to launch a new investment trust to take advantage of the recovery in the British economy

THIS WEEK IN HISTORY

1976: Vanguard launches the first retail index fund, called the First Investment Trust.

2004: Internet search engine Google has its IPO at \$85 per share and the shares rise 18% on the first day of trading

RE-OPENING TIMES

The next generation Turkey Twizzler returned to the supermarket shelves this week 15 years after its demise. Bernard Matthews' infamous, partially turkey based, product sold out in Iceland stores within a day

MARKET DATA

% returns	1 Week	1 Month	1 Year	5 Years
UK Equities (% return GBP)	-1.42	-3.97	-15.35	14.91
World Equities (% return GBP)	0.64	0.63	5.73	91.03
10 Year US Treasury Yield	0.64	0.61	1.52	2.05
GBP / USD (fx rate)	1.31	1.27	1.21	1.57

As at 21st August 2020. Source: Financial Express

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